

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

E-01891A
GARKANE ENERGY COOPERATIVE, INC.
P.O. Box 465
Loa, UT 84747

ANNUAL REPORT
Electric

FOR YEAR ENDING

12	31	2010
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FOR COMMISSION USE

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3-24-11

3-24-11

COMPANY INFORMATION

Company Name (Business Name) _____ Garkane Energy Cooperative, Inc.			
Mailing Address _____ 120 West 300 South _____ P.O. Box 465			
(Street)			
Loa	UT	84747	
(City)	(State)	(Zip)	
(435) 836-2795	(435) 836-2497		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address _____ calbrecht@garkaneenergy.com			
Local Office Mailing Address _____ 120 West 300 South _____ P.O. Box 465			
(Street)			
Loa	UT	84747	
(City)	(State)	(Zip)	
(435) 836-2795	(435) 836-2497		
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address _____ calbrecht@garkaneenergy.com			

MANAGEMENT INFORMATION

<input checked="" type="checkbox"/> Regulatory Contact:			
<input checked="" type="checkbox"/> Management Contact: _____ Carl R. Albrecht _____ General Manager/CEO			
(Name) (Title)			
120 West 300 South	Loa	UT	84747
(Street)	(City)	(State)	(Zip)
(435) 836-2795	(435) 836-2497		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address _____ calbrecht@garkaneenergy.com			
On Site Manager: _____ Carl R. Albrecht _____			
(Name)			
120 West 300 South	Loa	UT	84747
(Street)	(City)	(State)	(Zip)
(435) 836-2795	(435) 836-2497		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address _____ calbrecht@garkaneenergy.com			

Statutory Agent: _____		Robert T. Jones	
		(Name)	
120 North 44th Street Suite 100	Phoenix	AZ	85034-1822
(Street)	(City)	(State)	(Zip)
(602) 286-6925	(602) 286-6932		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Attorney: _____		Michael Grant	
		(Name)	
2575 East Camelback	Phoenix	AZ	85016-9225
(Street)	(City)	(State)	(Zip)
(602) 530-8291	(602) 257-9459		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address _____			

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input checked="" type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|-----------------------------------|--|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input checked="" type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input checked="" type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

SERVICES AUTHORIZED TO PROVIDE

Check the following box/es for the services that you are authorized to provide:

- ☒ **Electric**
- ☐ Investor Owned Electric
 - ☒ Rural Electric Cooperative
 - ☐ Utility Distribution Company
 - ☐ Electric Service Provider
 - ☐ Transmission Service Provider
 - ☐ Meter Service Provider
 - ☐ Meter Reading Service Provider
 - ☐ Billing and Collection
 - ☐ Ancillary Services
 - ☐ Generation Provider
 - ☐ Aggregator/Broker

☐ **Other** (Specify) _____

STATISTICAL INFORMATION

Total number of customers		
Residential	1,118	
Commercial	234	
Industrial	0	
Public Street and Highway lighting	5	
Irrigation	17	
Resale Public Authorities	47	
Total kilowatt-hours sold		
Residential	37,278,931	kWh
Commercial	21,085,628	
Industrial	11,921,751	
Public Street and Highway lighting	0	
Irrigation	50,100	
Resale Public Authorities	326,869	
	3,894,583	
Maximum Peak Load	6.5	MW

COMPANY NAME:	Garkane Energy Cooperative, Inc.
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UTILITY SHUTOFFS / DISCONNECTS

MONTH		Termination without Notice R14-2-211.B	Termination with Notice R14-2-211	OTHER
JANUARY		0	9	
FEBRUARY		0	10	
MARCH		0	9	
APRIL		0	9	
MAY		0	10	
JUNE		0	11	
JULY		0	8	
AUGUST		0	9	
SEPTEMBER		0	10	
OCTOBER		0	9	
NOVEMBER		0	8	
DECEMBER		0	8	
TOTALS →		0	110	

OTHER (description):

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

VERIFICATION

STATE OF Utah

**I, THE UNDERSIGNED
OF THE**

COUNTY OF (COUNTY NAME) <u>Wayne</u>
NAME (OWNER OR OFFICIAL) TITLE <u>Stan T. Chappell, Finance Manager</u>
COMPANY NAME <u>Garkane Energy Cooperative, Inc.</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2010</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2010 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 3,947,702

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 283,863
IN SALES TAXES BILLED, OR COLLECTED)**

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Stan T. Chappell
SIGNATURE OF OWNER OR OFFICIAL
435-836-2795
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

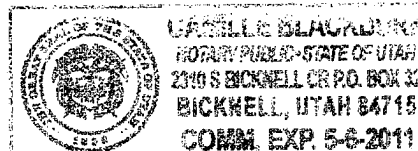
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 16th Jan **DAY OF**
(SEAL)

COUNTY NAME <u>Wayne</u>	
MONTH <u>March</u>	<u>20</u> <u>11</u>

Amber P. [Signature]
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 5-6-11



**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

UTAH
STATE OF ARIZONA

I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME) Wayne	
NAME (OWNER OR OFFICIAL) Stan T. Chappell	TITLE Finance Manager
COMPANY NAME Garkane Energy Cooperative, Inc.	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2010

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2010 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 2,312,617

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 148,259
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

Stan T. Chappell
SIGNATURE OF OWNER OR OFFICIAL

435-836-2795

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

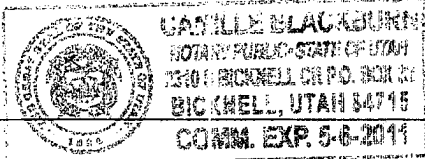
THIS

10/31

DAY OF

(SEAL)

MY COMMISSION EXPIRES



NOTARY PUBLIC NAME Gayle Blackburn	
COUNTY NAME Wayne	
MONTH March	2011

Gayle Blackburn
SIGNATURE OF NOTARY PUBLIC

FINANCIAL INFORMATION

Attach to this annual report a copy of the Company year-end (Calendar Year 2010) financial statements. If you do not compile these reports, the Utilities Division will supply you with blank financial statements for completion and filing. **ALL INFORMATION MUST BE ARIZONA-SPECIFIC AND REFLECT OPERATING RESULTS IN ARIZONA.**

GARKANE ENERGY C

120 W 300 S

LOA, UTAH 84747

For the year ending

31-Dec-10

Description	Total System	Utah	Arizona
Intangible Plant	\$ -	\$ -	\$ -
Production Plant	\$ 5,412,075	\$ 5,412,075	\$ -
Other Production Plant	\$ 1,174,517	\$ 857,361	\$ 317,156
Transmission Plant	\$ 12,330,494	\$ 11,982,366	\$ 348,128
Distribution Plant	\$ 46,316,479	\$ 42,080,448	\$ 4,236,031
General Plant	\$ 11,948,475	\$ 11,948,475	\$ -
Total	\$ 77,182,040	\$ 72,280,725	\$ 4,901,315

REVENUE

Residential Sales	\$ 10,749,838	\$ 8,585,750	\$ 2,164,088
Irrigation Sales	\$ 365,780	\$ 334,901	\$ 30,879
Commerical Sales	\$ 6,228,174	\$ 5,135,796	\$ 1,092,378
Large Industrial Sales	\$ 1,541,688	\$ 1,541,688	\$ -
Public Street Lighting	\$ 65,619	\$ 55,721	\$ 9,898
Public Authorities Sales	\$ 1,861,760	\$ 1,503,428	\$ 358,332
Total Sales of Electricity	\$ 20,812,859	\$ 17,157,284	\$ 3,655,575

Forfeited Discounts	\$ 35,339	\$ 29,119	\$ 6,220
Connect fees	\$ 43,021	\$ 35,449	\$ 7,572
Rent from electric property	\$ 28,500	\$ 23,484	\$ 5,016
Other electric revenue	\$ 739,928	\$ 609,701	\$ 130,227
Total Other Revenue	\$ 846,788	\$ 697,753	\$ 149,035
Total Operating Revenue	\$ 21,659,647	\$ 17,855,037	\$ 3,804,610

KWH SOLD

Residential Sales	116,494,283	95,408,655	21,085,628
Irrigation Sales	4,203,985	3,877,116	326,869
Commerical Sales	71,741,286	59,819,535	11,921,751
Large Industrial Sales	22,607,000	22,607,000	-
Public Street Lighting	393,540	343,440	50,100
Public Authorities Sales	18,479,265	14,584,682	3,894,583
Total	233,919,359	196,640,428	37,278,931
		84.063%	15.937%

Customers

Residential Sales	10,472	9,354	1,107
Irrigation Sales	114	100	13
Commerical Sales	1,502	1,275	217
Large Industrial Sales	1	1	-
Public Street Lighting	33	28	5
Public Authorities Sales	560	512	48
Total	12,682	11,270	1,390

STATEME**STATEMENT OF INCOME FOR THE YEAR**

Total

Utah

Arizona

GARKANE ENERGY C				
120 W 300 S				
LOA, UTAH 84747				
For the year ending	31-Dec-10			
Operating Revenue				
Sales from Electricity	\$ 20,812,859	\$ 17,157,284	\$ 3,655,575	
Other Revenue	\$ 846,788	\$ 697,753	\$ 149,035	
Total	\$ 21,659,647	\$ 17,855,037	\$ 3,804,610	
Operating Expenses				
O & M expense	\$ 14,759,356	\$ 12,161,710	\$ 2,597,646	
Depreciation Expense	\$ 2,277,773	\$ 2,137,556	\$ 140,217	
Tax Expense				
Property & Other	\$ 494,143	\$ 494,143	\$ -	
Misc Decuctions	\$ 25,979	\$ 25,979	\$ -	
Interest Expense	\$ 1,780,618	\$ 1,780,618	\$ -	
Total Expenses	\$ 19,337,869	\$ 16,600,006	\$ 2,737,863	
Operating Margins	\$ 2,321,778	\$ 1,255,031	\$ 1,066,747	
Interest Income	\$ 43,954			
Non Operating Margins	\$ 312,138			
G & T Capital Credits	\$ 10,228			
Other Capital Credits	\$ 195,576			
Total Other Margin	\$ 561,896			
Extraordinary Items	\$ -			
Net Income	\$ 2,883,674			